



United States Department of Agriculture
National Agricultural Statistics Service

AGRI-VIEW



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STATE'S UTILIZED APPLE PRODUCTION INCREASED

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**U.S. MEAT
PRODUCTION
OUTLOOK**

MINNESOTA: Utilized apple production for 2006 was estimated at 17.0 million pounds, up 1.0 million pounds from 2005. The 2006 total apple production is estimated at 23.0 million pounds, an increase of 1.0 million pounds from last year's crop.

The value received for the 2005 crop was up 8 percent from 2004. The preliminary average price received for Minnesota apples was 54.3 cents per pound compared with 53.5 cents in 2005, up 0.8 cents per pound. The price includes fresh sales (both retail and wholesale) plus processing sales on a delivered wholesale basis. Both production and price estimates are subject to revision when the updated annual summary is published in August.

UNITED STATES: Utilized apple production for 2006 is estimated at 9.98 billion pounds, up 4 percent from 2005. Utilized production for Washington was unchanged from last year's 5.70 billion pounds, while New York's and Michigan's utilized production increased 24 and 18 percent, respectively. In New York, abundant rainfall across the state increased disease pressure and severe weather during the fall caused significant losses to some orchards. In Michigan, freezing temperatures in the northwest during April and cold temperatures in the western part of the state during pollination greatly reduced fruit set. However, plentiful rain in August and September aided fruit sizing.

CROP YEAR	UTILIZED PRODUCTION (MILLION LBS.)	SEASON AVERAGE PRICE (CENTS PER LB.)	VALUE (1,000 DOLLARS)
MINNESOTA			
2002	17.7	50.9	9,008
2003	19.8	43.6	8,624
2004	19.9	46.8	9,307
2005	16.0	53.5	8,563
2006	17.0	54.3	9,228
UNITED STATES			
2002	8,374	18.9	1,581,260
2003	8,703	20.9	1,817,240
2004	10,361	13.5	1,403,001
2005	9,617	17.5	1,680,747
2006	9,984	21.0	2,099,129



**CENSUS OF
AGRICULTURE**

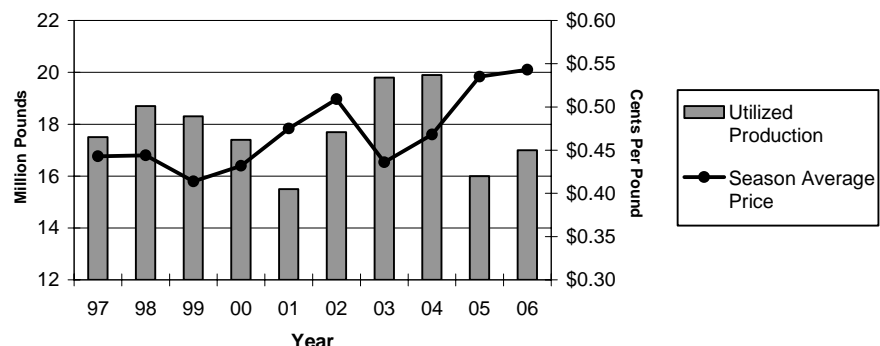
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2007

Watch for your
Census Questionnaire
in late December 2007.

MINNESOTA'S APPLES

UTILIZED PRODUCTION & SEASON AVERAGE PRICES



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U.S. CATTLE ON FEED UP 1 PERCENT

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 12.0 million head on January 1, 2007. The inventory was 1 percent above January 1, 2006, and 6 percent above January 1, 2005.

Placements in feedlots during December totaled 1.71 million, 9 percent below 2005 and 7 percent below 2004. Net placements were 1.63 million. During December, placements of cattle and calves weighing less than 600 pounds were 470,000, 600-699 pounds were 504,000, 700-799 pounds were 420,000, and 800 pounds and greater were 320,000.

Marketings of fed cattle during December totaled 1.63 million, 5 percent below 2005 and 9 percent below 2004.

Other disappearance totaled 88,000 during December, 3 percent below 2005 and 4 percent below 2004.

Cattle on Feed: Number on Feed, 1,000+ Capacity Feedlots, by Month, State, and United States, 2006-2007 1/

State	Jan. 1, 2006	Dec. 1, 2006	Jan. 1, 2007		
			Number	as % of 2006	as % of Dec
AZ	334	341	334	100	98
CA	550	540	550	100	102
CO	1,080	1,120	1,100	102	98
ID	275	270	260	95	96
IA	510	500	520	102	104
KS	2,500	2,550	2,540	102	100
NE	2,430	2,510	2,540	105	101
NM	143	137	136	95	99
OK	370	350	350	95	100
SD	205	210	225	110	107
TX	2,920	2,900	2,870	98	99
WA	152	185	184	121	99
Other States	335	360	365	109	101
US	11,804	11,973	11,974	101	100

1/ Cattle and calves on feed are animals for slaughter market being fed a ration of grain or other concentrates and are expected to produce a carcass that will grade select or better.



U.S. AGRICULTURAL EXPORTS AT NEARLY \$7 BILLION AGAIN IN NOVEMBER

The value of U.S. agricultural exports in November was \$13 million below the October record of \$6.9 billion. Grains accounted for most of the increase, notably from corn as soybean exports fell from October levels. With only 1 month remaining in calendar year 2006, exports are at \$64.4 billion, about 12 percent higher than in 2005. Corn and meat exports showed the strongest growth over last year. Japan, Mexico, and South Korea continue to account for more than half the U.S. corn shipments; nearly one-fourth of November shipments went to Japan. High-value products increased about 9 percent above this time last year.

The value of U.S. agricultural imports rose only 2 percent from October to November, to nearly \$5.7 billion. Year-to-date imports are \$59.8 billion, roughly \$6 billion higher than the first 11 months of calendar year 2005. Most of the increase comes from fruit, vegetable, and vegetable oil imports, although there were continued increases in wine, malt beverages, sugar, and rubber. Both the volume and the value of coffee are higher than at this point in 2005.

Source: *U.S. Agricultural Trade Update*/FAU-121 Economic Research Service, USDA (www.ers.usda.gov), January 11, 2007

HAY STOCKS DOWN SHARPLY

Total hay production in 2006 was estimated at 141.7 million tons, down 4 percent from the October forecast and down 6 percent from the 2005 total. Alfalfa hay production was 71.7 million tons, also down 4 percent from the October forecast and 6 percent below 2005. This was the lowest alfalfa hay production since 1951. Other hay production in 2006 was estimated at 70 million tons, down 3 percent from the October 1 forecast and down 7 percent from 2005.

The farm price of hay was already up sharply from a year earlier in December, before the series of winter storms forced even heavier supplemental feeding. In December, alfalfa and other hay prices were nearly 16 and 21 percent, respectively, above a year earlier. Alfalfa hay prices averaged \$112 a ton, up from \$109 in November and \$96.90 a year ago. Other hay prices are averaging \$99.30 a ton in December, up from \$98.10 in November and \$82.10 a year ago.

Source: *Livestock, Dairy, & Poultry Outlook*, Economic Research Service, USDA (www.ers.usda.gov), January 23, 2007

MARKETS CONTINUE TO CHASE CHOICE BEEF

The unseasonably wide spread between Choice and Select cutout values indicates that the market continues to chase Choice cattle, although this spread has narrowed in the last several weeks. During the last few weeks in December 2006, the Choiceover-Select premium was about \$17 per cwt, but this has moved below \$15 in the last several weeks.

With the beef industry moving past the holiday season, retail markets are settling into more typical patterns. Fourth-quarter 2006 retail prices were 2 percent below 2005 prices. Wholesale-to-retail price spreads widened from a year earlier, with both the retail and packer spreads widening modestly. Some featuring of middle cuts over other lower priced cuts, and the relatively light supplies of Choice beef, could support retail prices.

Exports to South Korea have stalled over bone fragment disputes and purported traces of dioxin. Growth in exports to Japan has been limited by the agreement that U.S. beef exports to Japan be from cattle 20 months of age or younger. Only a limited number of U.S. age-verifiable cattle meet this restriction.

Source: *Livestock, Dairy, & Poultry Outlook*, Economic Research Service, USDA (www.ers.usda.gov), January 23, 2007

FEED GRAIN'S PRODUCTION LOWER THIS MONTH AND TOTAL USE OFF SLIGHTLY

Feed grain supplies for 2006/07 are down 2 percent from December and down 6 percent from 2005/06. The 2006 corn and sorghum crops were down month-to-month, but barley and oats production were unchanged. Beginning stocks were revised down for corn but up for sorghum, resulting in a small net decrease for total feed grains.

Total use of feed grains decreased this month, as lower corn feed and residual use more than offset increases in feed and residual use of sorghum and barley. Feed and residual use for oats was unchanged. Corn exports increased, but not enough to offset decreases in feed and residual use and in food, seed, and industrial use. Feed grain supply declined more than use, reducing ending stocks 5 million metric tons this month, to 22.3 million. In 2005/06, ending stocks for the four feed grains were 54.7 million tons.

Source: *Feed Outlook/FDS-07a*/Economic Research Service, USDA (www.ers.usda.gov), January 17, 2007

FOURTH QUARTER PORK EXPORTS WELL AHEAD OF LAST YEAR

U.S. companies exported almost 15 percent more pork products in October-November 2006 than in the same period of 2005. While exports were slower than expected in October, at 238 million lbs—slightly more than 7 percent above October 2005—November exports surged to nearly 294 million lbs, 22 percent ahead of a year earlier.

Although November 2006 exports to almost all major markets were larger than in November 2005, exports to three countries, Japan, Russia, and South Korea, set the November export numbers apart from exports in October. Japan—the United States' most important export market—registered year-over-year gains in November for the first time since August. U.S. exports to Japan have been year-over-year lower in 8 of the last 11 months. Lower Japanese imports in 2006 have been attributed to two factors: higher-than-normal stocks—likely accumulated in 2005 in response to BSE and Avian Influenza concerns—and stepped-up enforcement of the rules that regulate Japan's complex pork import regime. But it appears that Japanese consumers' well-documented preference for pork products to celebrate the holiday season trumped higher stocks and law enforcement issues. U.S. exports to Japan in November jumped almost 20 percent over November 2005. Through November 2006, Japan has accounted for an average of 34 percent of U.S. exports, compared with 40 percent last year.

Source: *Livestock, Dairy, & Poultry Outlook*, Economic Research Service, USDA (www.ers.usda.gov), January 23, 2007

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